

MEMORANDUM FOR DISTRIBUTION

FROM: Terri Lee/Scott Burnison

DATE: July 20, 2001

SUBJECT: Conference on the FY 2001 Supplemental Spending Bill, HR 2216

The Senate Appropriations Committee and the House Appropriations Committee met yesterday to conference on the FY 2001 Supplemental Bill, HR 2216. The two Committees recommended a total of \$320.7M for DOE, basically the same as the request and an increase of \$24.4M or 8% from the House recommendation.

The measure was reported to the House for final action. The House today passed the FY 2001 Supplemental, HR 2216, with a vote of 375-30. The bill has now been sent to the Senate for floor action on Monday, July 23.

(The below amounts were provided verbally from staff. The conference language will not be available until early next week.)

Below is a summary of DOE activities in the FY 2001 Supplemental as passed in conference:

FY 2001 Supplemental**Weapons Activities -- \$126.6M, \$13.4 below the request**

- The Conferees zeroed out (-\$3M) Advanced Design & Production Technologies within Campaigns.
- The Conferees included a General Reduction of \$10.375M to be applied against Operating activities (except Pits) proposed in the Supplemental. Construction activities and Pit Production activities are to be held harmless.

Environmental Management -- \$187.55M, a \$0.755M or 4% above the request

- Defense Environmental Restoration and Waste Management -- \$95M, reduced by \$5M from the request.
 - \$31.7M for Savannah River Site for high-level waste activities & work in F&H canyon areas.
 - \$18.3M for Hanford site for spent nuclear fuel activities, Plutonium Finishing Plant and F-reactor interim storage.
 - \$10M for tank farm operations.
 - \$25M for Hanford vitrification plant.
 - \$7M to purchase TRUPACTS.
 - \$3M for groundwater contamination activities at Pantex.
 - **\$5M for spent nuclear fuel work at Idaho was not funded.**
- Defense Facilities Closure Projects -- \$21M, as requested.
 - \$20M for Fernald
 - \$1M for Mound

- Defense Environmental Management Privatization -- \$29.6M, as requested.
- Uranium Facilities Maintenance & Remediation (UED&D) -- \$30M; \$12M above the request
 - \$18M, as requested for cleanup at Paducah, Kentucky
 - \$12M, for cleanup at Oak Ridge, Tennessee, not in the request
- Non-Defense Environmental Management -- \$11.95M, a \$0.550M or 4.8% above the request and as recommended by the House
 - \$10M for cleanup at Brookhaven.
 - \$1.95M to study remediation options at Atlas/Moab.

Other Defense Activities**Worker and Community Transition -- \$5M, not in the request**

- \$5M for workforce restructuring at the Idaho Engineering and Environmental Laboratory.

Western Area Power Administration -- \$1.578M, not in request

- \$1.328M to support study of "Path 15" in California
- \$0.250M to study the costs and feasibility of transmission expansion in the Upper Great Plains

MEMO FOR DISTRIBUTION

FROM: Michael Bloomer
Office of Budget
External Coordination

DATE: July 16, 2001

SUBJECT: Senate Passes the FY 2002 Interior Appropriations Bill, HR 2217

On July 12, the Senate passed by voice vote the FY 2002 Interior Appropriations bill, HR 2217. No DOE related amendments were offered and therefore the Senate Appropriations Committee's recommendation from the June 28th markup remains unchanged.

The overall Senate level is \$1,739 million, as compared with \$1,497 million in the amended request and \$1,797 million in the House. Conference on HR 2217 is anticipated within the next two weeks.

Below is a summary of the Senate passed bill:

- **Fossil Energy R&D, \$570.4M**, including offsets of \$6M from use of prior year balances and \$33.7M to be transferred from funds appropriated in prior years for the Clean Coal Technology Program. The Subcommittee recommendation is \$155.1M more than the request and \$25.1M more than in the House bill. The President's Clean Power Initiative is funded at the request level of \$150.0M. Changes from the budget request include:
 - ♦ **Coal and Power, +\$84.5M**. Major increase is for Turbines, +\$20.5M. House increase for Coal and Power was \$60.5M.
 - ♦ **Gas, +\$22.1M**. House increase was \$19.3M.
 - ♦ **Oil Technology, +\$14.5M**. Increases are for the Arctic Energy Technology Center, +\$3.0M and +\$8.2M is to restore funding to WRI and UNDEERC. House increase for Oil Technology was \$22.5M.
 - ♦ Restores funding for **Cooperative R&D, +\$11.2M**. House increase was \$6.0M
 - ♦ **Plant and Capital Equipment, +\$11.5M**. Increase is for planning and design of the NETL infrastructure upgrade. House increase was \$1.4M.
 - ♦ **HQ Program Direction, +\$4.0M**. Same as House.
 - ♦ **NETL Program Direction, +\$12.0M**. Same as House.
- **Strategic Petroleum Reserve (SPR), \$169.0M**, the budget request. Amount includes \$8.0M for the North East Home Heating Oil Reserve. House Bill recommended \$179M for the SPR.
- **Naval Petroleum and Oil Shale Reserves, \$17.4M**, the budget request. Same as House.
- **Energy Conservation, \$870.8M**. This amount is \$115.0M above the amended request and \$70.0M less than in the House bill. The **Weatherization Assistance Program (WAP)** is

funded at \$213.0M, which is **\$60M below** the request of \$273.0M. The House Bill recommended \$249.0M for WAP, a \$24.0M reduction from the request. There is no 25% State cost share requirement in the Senate Bill. Other changes from the budget request include:

- ◆ **Building Research and Standards, +\$30.0M.** Same as House. Increases are:
 - \$6.0M for competitive research and development.
 - \$5.0M for Building America in the residential buildings program.
 - \$2.0M for commercial buildings integration.
 - \$17.0M for equipment material and tools.
- ◆ **Industry Sector, +\$59.2M.** Same as House.
- ◆ **Power Technologies, +\$16.5M.** Same as House.
- ◆ **Transportation Sector, +\$53.0M.** Same as House.
- **Economic Regulation, \$2.0M,** the budget request. Same as the House. The Committee requires the Department to submit a plan by March 1, 2002 that phases out direct funding for the Office of Hearings and Appeals from the Interior Appropriations Bill over the next three years.
- **Energy Information Administration, \$75.5M,** the budget request. The House Bill recommended \$78.5M.
- **Elk Hills School Lands Fund, \$36M,** to become available on October 1, 2002 (first day of FY 2003). The House bill provided \$36M in FY 2002, to be transferred from prior year Clean Coal Technology funds. Additionally, both houses allowed the \$36M FY 2001 advance appropriation into FY 2002 to become available as planned.

HOUSE APPROPRIATIONS MARKUP

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS
FY 2002 BILL AND REPORT LANGUAGE SUMMARY

On Monday, June 25, 2001, the House Appropriations Committee marked up the House Energy and Water Development Subcommittee's FY 2002 Energy and Water Development Appropriations Bill. As a result, there were ~~no funding changes to the Subcommittee mark~~ of June 19, 2001, which recommended a total of \$18.7 billion in budget authority for the Department, an increase of \$641 million over the amended request.

There was one amendment in the Manager's amendment, which was agreed to, that includes clarifying report language that sets conditions on when funding for Underground Nuclear Testing would be considered by the House. A summary of the Committee passed bill and report follows.

Increases were focused in ~~Environmental Management~~ (+\$699 million, +11%), ~~Energy Efficiency and Renewable Energy~~ (+\$100 million, +36%), and ~~Defense Nuclear Nonproliferation~~ (+\$72 million, +9%). ~~The largest reduction was to the Defense Programs request (-\$176 million, -3%).~~ Other programs received smaller dollar cuts that are never-the-less significant on a percentage basis, including the ~~Office of the Administrator, NNSA~~ (-\$5 million, -33%); ~~Intelligence~~ (-\$4.8 million, -12%); ~~Worker and Community Transition~~ (-\$2.5 million, -10%); ~~Environment, Safety and Health~~ (-\$13.3 million, -9%); and ~~Security and Emergency Operations~~ (-\$19.3 million, -7%).

Highlights of General Report Language

National Energy Policy. The Committee encourages the Secretary to proceed as quickly as possible to complete the necessary reviews in order to implement the recommendations of the National Energy Policy. If the Secretary needs to make changes to bring fiscal year 2002 program funding into alignment with the National Energy Policy, the Committee is *receptive to making the necessary adjustments through the appropriations process and through fiscal year 2002 reprogrammings*. The Committee also recommends that the Secretary should place priority on those actions that can alleviate the electricity shortage that is especially acute in the West. In particular, the Secretary should *expedite the reviews of Path 15 in California and other transmission constraints, the projected financing needs of the Bonneville Power Administration, and projected needs of the other Federal power marketing administrations.*

The Committee also emphasizes that most of the Department's programs are not designed to provide immediate relief to the Nation's energy crisis. Instead, the Department's energy supply programs consist primarily of research and development into technologies intended to provide long-term solutions to the Nation's energy needs. Near-term deployment of available energy technologies is best accomplished through incentives other than appropriations.

Basic Research For Energy Technologies. The Committee is concerned that the Department does not have an adequate plan or policy that relates the basic research being conducted by the Office of Science to the energy needs of the country. *The Committee directs the Department to*

identify ways in which coordination can be improved and research conducted which is mutually beneficial and to report to the Committee by January 15, 2002, on the Department's strategy for ensuring that the basic research programs also focus on energy technology needs.

Project Management. The Committee strongly supports the Department's Office of Engineering and Construction Management (OECM) but continues to be concerned with the placement of this Office in the Department's organizational structure. *The Committee strongly urges the Department to elevate OECM to a level equal to an Assistant Secretary with a direct reporting relationship to the Deputy Secretary/Secretarial Acquisition Executive authority.* The Committee's recommendation is consistent with the recent report to Congress from the National Research Council (NRC) stating that the OECM "...should be at the level of an assistant secretary and report directly to the Deputy Secretary." The Committee believes that the director of the office should continue to be a career position rather than a political appointment and that the facilities and infrastructure policy development and program oversight responsibilities and budget be placed under OECM. In line with its recommendation, the Committee has provided \$7.6M for OECM in FY02 and expects the office to report directly to the Deputy Secretary.

Facilities And Infrastructure. The Committee is aware of the continuing decline in the condition of the Department's facilities throughout the complex and of the Department's inability to properly evaluate and address the readiness and maintenance status of its facilities. The Department must develop an improved management system and allocation of resources for its facilities and infrastructure. The Committee is also aware that DOE has an increasing number of excess facilities that require extensive budgets for surveillance and maintenance. To address these issues, the Committee directs the Department to:

- Contract with the National Research Council to provide Congress an evaluation of the steps the Department is taking to improve its facility and infrastructure management;
- Provide by December 15, 2001, information regarding the current and projected total budgets required for facilities and infrastructure and the process being established to determine priorities and return-on-investments;
- Initiate a Site Planning Pilot program to demonstrate the reconfiguration of its facilities and infrastructure to meet its mission and to address its long-term operational costs and return on investments;
- Initiate a Pilot Site Program that can be used as a model for a cost-efficient maintenance program addressing mission requirements and life cycle costs;
- Include in fiscal year 2003 budget request, for all construction projects and general plant projects (GPP) initiated in fiscal year 2002 or later, funds to eliminate excess facilities (based on the greatest impact on long-term costs and risk) that are at least equal to the square footage of the new facilities which are being proposed;
- Identify in the fiscal year 2003 budget request all maintenance and infrastructure costs and the adequacy of this funding to meet mission requirements by site and program; and
- Prepare Site Plans for each Department site not slated for closure under the Environmental Management program.

Augmenting Federal Staff. The Committee continues to believe there is too much reliance on support services contractors and other non-Federal employees throughout the Department. Consistent with fiscal year 2001, the *Committee expects DOE not to exceed 220 management*

and operating contractor employees assigned to the Washington metropolitan area in fiscal year 2002. At the Committee's recommendation, DOE is to provide two reports to the Committee on January 31, 2002.

- DOE is to provide a report on the use of M&O contractor employees assigned to the Washington metropolitan area.
- DOE is to provide a report on support service contractors at Headquarters.

DOE Staffing. The Committee continues to be concerned with the staffing levels in many Departmental organizations. Despite expectations expressed by Congress during establishment of the NNSA in fiscal year 2001 that the new organization should incorporate many organizational and management efficiencies, there appear to be few changes in the regular way of doing business. *The Committee is disappointed at the Department's failure to address organizational and management efficiencies that were expected in the NNSA and the remainder of the Department.* Thus the Committee directs DOE to prepare and submit to the Committee on January 31, 2002, an overall staffing plan that implements organizational and management efficiencies throughout the Department and the NNSA that could lead to a reduction in overall staffing during fiscal year 2003. If legislation permitting early retirements or expected civil service hiring is required to implement this plan, DOE should request this authority when submitting the organizational and staffing plan to the Committee:

External Regulation. The Committee directs DOE to *prepare an implementation plan to transition to external regulation at the Department's non-defense science laboratories. The Nuclear Regulatory Commission (NRC) would assume responsibility for nuclear safety at DOE's non-defense science laboratories and the Occupational Safety and Health Administration (OSHA) would assume responsibility for safety at these same sites.* The Department is directed in fiscal year 2002 to prepare a plan for implementation of external regulation, with a proposed effective date for the actual implementation of external regulation of October 1, 2002. This plan is due by March 31, 2002. The requirement plan for the transition to external regulation is not applicable to the nuclear weapons laboratories, plants, or test facilities, nor to the Department's environmental remediation sites or other laboratories and research facilities.

Contractor Travel. The Committee has not included a statutory limitation on contractor travel in fiscal year 2002. However, each program organization within the Department is expected to ensure that contractor travel is limited to critical mission functions and that administrative travel to Washington is limited. The Committee directs DOE to maintain a tracking system that will allow for periodic reviews of contractor travel costs and destinations.

*Similar
mission
in Senate*

Independent Centers. DOE is directed to provide a report to the Committee by January 15, 2002 on all centers funded in FY 2002. The report should be at the level of detail included in the FY 2001 report to Congress. All centers should be specifically identified in the FY 2003 budget submission.

Budget Justification Requirements. The fiscal year 2003 budget justifications submitted by DOE should include the following: a section identifying the last year that authorizing legislation was provided by Congress for each program; funding within each construction project data sheet

for elimination of excess facilities at least equal to the square footage of the new facilities being requested; and funding to eliminate excess facilities at least equal to the square footage of new facilities being constructed as general plant projects (GPP). The Department should work with the Committee on the specific information needed for each requirement.

Sale Of Land. The Department is directed to notify the Committee at least 60 days in advance of any proposed sale of land which does not follow the standard Federal practices for property sales and provide a detailed explanation for the waiver of Federal practices for the sale of the property.

Laboratory Directed Research and Development. The Committee has recommended in statute, under General Provisions, Section 307, "None of the funds appropriated in other than Energy and Water Development Appropriations Acts may be used for Department of Energy laboratory directed research and development (LDRD)." *no such provision in Senate*
amended to concern w/ OPA funds being used for LDRD

NON-DEFENSE: (+\$121 million)

ENERGY SUPPLY is funded at a total level of \$639M, an increase of \$95M from the request *b73625*

435.6 for Senate *Senate include 31 earmarks totaling \$71.5M*
 In **Renewable Energy** (\$377 million), the House generally restored the cuts proposed in the request, providing \$100 million more over than the amended request and \$3.6 million more than the FY 2001 appropriation.

- Only five programs received less than their FY 2001 appropriation:
 - *Concentrating Solar Power* (\$7.9 million, 42% below FY 2001);
 - *Renewable Indian Energy Resources* (\$0, as requested, vice \$6.6 million in FY 2001);
 - *Hydropower* (\$3 million, \$2 million below both the request and FY 2001); and
 - *Renewable Program Support* (\$3 million, 25% below FY 2001.)
 - *International Renewable Energy Programs* (\$3 million, 39% below FY 2001)
- All other programs received more than in FY 2001. The biggest gainers were:
 - *Transmission Reliability* (\$13 million, 45% over FY 2001);
 - *Solar Building Technology Research* (\$5 million, 27% over FY 2001);
 - *Departmental Energy Management Program* (\$2.5 million, 26% over FY 2001);
 - *National Renewable Energy Laboratory* (\$5 million, 25% over FY 2001); and
 - *Energy Storage Systems* (\$7.1 million, 19% over FY 2001).
- Renewable Energy, along with Nuclear Energy, Non-Defense Environment, Safety and Health, and the Technical Information Management Program, will receive a share of a \$1 million undistributed general reduction in Energy Supply.
- **Metrics:** The Committee is concerned that we continue to expend federal research dollars on various renewable technologies without a clear relation between the money invested and the power generated. DOE needs to develop a clear set of metrics that can be used by the Congress and the Administration to compare the effectiveness of the federal investment in alternate energy sources. *DOE is to submit these metrics as part of the budget justification in fiscal year 2003 and beyond.*

- **Strategic Review.** Upon the completion of the Department's strategic review of its renewable energy programs, the Committee recommends the Department to submit, if necessary, a reprogramming request to align fiscal year 2002 spending on the most cost-effective energy technologies.

Senate provided \$244M
Nuclear Energy received \$224 million, \$1 million over the request. The most significant gains were in:

- *University Reactor Fuel Assistance and Support* (\$15.9 million, +33%);
- *Nuclear Energy Research Institute* (\$23.1 million, +28%); and
- *Nuclear Energy Plant Optimization* (\$5 million, +11%).

The biggest offsetting reductions were in *Program Direction* (\$20.5 million, -18%) and *Isotope Support and Production* (\$22.7 million, -8%).

Senate 32.5M
Non-Defense Environment, Safety and Health received \$31.5 million, reduced by 11% from the request, with *Program Direction* at the request level, leaving the remainder of the program down 27%. The Committee supports the Department's Voluntary Protection Program (VPP).

- **Transition to External Regulation:** As directed in section 308 of the General Provision, DOE is to prepare for the transition to external regulation of nuclear safety and worker health and safety for the non-defense science laboratories. DOE is to transfer \$4M to NRC to cover NRC's costs to prepare for the transition to external regulation and \$720K to OSHA.

The Committee also recommends that DOE should plan to reduce its current headquarters staffing levels by 10% upon implementation of external regulation in FY03 as well as determine whether reductions in field staffing are appropriate.

same as Senate
Technical Information Management. The Committee recommendation is \$7.9M, a reduction of \$1.1M from the budget request. The Committee is concerned that DOE is duplicating technical information services that are already available from the private sector.

same as Senate
Non-defense Environmental Management is funded at \$228 million, slightly below the request, with a reduction to *Post 2006 Completion* (-\$4.3 million) offset by an increase to *Excess Facilities* (+\$3.6 million).

Other Highlights:

- \$2.0M is provided for stabilization activities at Atlas uranium mill tailings site in Moab, Utah. DOE did not request funding for this activity.
- West Valley site. DOE may submit a reprogramming request for additional funds for remaining site transition, decommissioning, and project completion activities only upon successful conclusion of an agreement with the State of New York.
- Of the recommended \$5M, an increase of \$3.6M over the request is provided to begin the actual D&D of excess facilities already owned by the EM program.

40% increase
URANIUM FACILITIES MAINTENANCE AND REMEDIATION (\$393

million) was increased \$30 million over the request, all in *Decontamination and Decommissioning*. Also, the *Depleted UF₆ Conversion Project* (\$10 million) was funded at the request level, but appropriated out of the general fund, as in FY 2001, rather than from the D&D fund, as requested. *- save to D&D*

3,248 = Senate
SCIENCE is funded at a total level of \$3,166 million; a marginal increase of \$6.5 million over the request.

- A new line item, *Facilities and Infrastructure* was added, receiving \$10 million.
- Other increases were made in *Basic Energy Sciences, Materials Sciences* (+\$3 million); *Biological and Environmental Research* (+\$2.9 million, +\$1.4 million of that in construction); and *Nuclear Physics* (+\$1 million).
- Offsetting reductions were made in *Program Direction* (-\$7.4 million) and *Basic Energy Sciences, Project Engineering and Design* (-\$1 million).
- Also, an undistributed \$2 million general reduction was applied against this account.
- The Committee supports the creation of several regional nanoscale science research centers, but reminds DOE that its efforts to involve universities must reach broadly and openly rather than selectively. This is provided in General Provisions, Section 309 of the bill.

Senate = \$ 25M
NUCLEAR WASTE DISPOSAL Received \$133 million, a small cut of \$2 million.

- **State and Local Government Funds.** The Committee recommendation includes \$6 million for the affected units of local government, and \$2.5m for the State of Nevada to conduct oversight responsibilities. The Committee has provided statutory language directing that the State funds be provided to the Nevada Division of Emergency Management to conduct their respective external oversight responsibilities. The Department is directed to audit the Federal funds provided to Nevada at the earliest opportunity to confirm that these funds have been used in a manner consistent with Congressional guidance.
- \$1.8 million is provided within available funds to initiate the procurement of one transportation cask for each of the six reactor sites presently undergoing dismantlement and decommissioning.
- DOE should use available funds in FY02 to initiate the selection of transportation routes in Nevada and other States, in cooperation with the States, and to begin planning for construction of a rail line to the repository site.

In the **DEPARTMENTAL ADMINISTRATION** account, *salary and expense* levels for most organizations were held to the lower of the original FY 2001 appropriation (before the 0.22% omnibus reduction) and the request, an overall cut of 4% below the request. There are a number of noteworthy changes to the FY 2002 request.

- *Office of the Secretary* received the requested amount of \$4.7M
- *Chief Financial Officer* was broken into two separate control areas; the Chief Financial Officer and Engineering and Project Management
 - \$7.6M was provided for Engineering and Project Management, and it includes the facilities and infrastructure. The recommended \$7.6M includes funds for central

- Senate advised \$2.5M (72)

project management activities, which is different from the budget proposal which would have funded the activity from a tax on other organizations.

- *Management and Administration*, which was cut 8% from the original FY 2001 appropriation, 6% from the request; and *S = 10% cut*
- *Program support* was cut 22% from the request.
- The House mark reflected a \$5 million undistributed general reduction which would affect all programs in this account.
- Use of Prior Year Deobligations & Construction Project Reserves: During FY 02, these funds are not available for reallocation within DOE unless approved by Congress as part of a reprogramming or specifically identified in the budget request.
- Transfer from Other Defense Activities: Consistent with the budget request, the Committee has provided in FY 02 \$25 million from national security programs.
- Y2K Availability: The Committee provided bill language allowing the Department to transfer funds previously appropriated for year 2000 (Y2K) to the Departmental Administration account.

INSPECTOR GENERAL is funded at \$32.4 million, 3% over the request and FY 2001 levels.

POWER MARKETING ADMINISTRATION received the request, except Western Area Power Administration (\$172 million), which was increased by \$2.7 million.

- **Bonneville Power Administration**: Bonneville's proposal for increased borrowing authority (\$2B) must be considered within the context of all of the Administration's proposed actions for the power marketing administrations and in view of the combined impact on the various regions of the county.

DEFENSE: (+\$520 million) *Similar 1,733M*

NATIONAL NUCLEAR SECURITY ADMINISTRATION (NNSA) \$6,667M, a \$109M decrease.

6,043
Weapons Activities. The Committee recommends \$5,124 million, a cut of \$176 million, or 3%, from the request. The majority of this is due to an undistributed \$156 million general reduction. Within the account, funding was shifted from the *Advanced Simulation and Computing Campaign* (-\$100 million, -14%) and *Program Direction* (-\$21 million, -8%) to *Readiness in Technical Base and Facilities*, *Operation of Facilities* (+\$35 million, +4%), *Inertial Confinement Fusion* (+\$25 million, +5%, with *National Ignition Facility* construction at the request), the *Secondary Readiness Campaign* (+\$24 million, +104%), and a new line item, *Facilities and Infrastructure* (+\$17 million).

- **Reprogramming Authority**: In FY 02, each plant may transfer between programs up to \$5M or 10% of the funding, whichever is lower, if it can be shown that cost savings and efficiencies will result. This reprogramming is not to be used to cover cost overruns or schedule slips for any project or program. This authority may not be used to initiate new

programs or programs specifically denied, limited, or increased by Congress in the Act or report. The Committees on Appropriations in the House & Senate must be notified within 30 days of the use of this reprogramming authority.

- **Underground Nuclear Testing:** If DOE were to decide to invest funds to restore underground nuclear testing to a higher level than presently, this could only be done: (1) once the Secretary of Defense concluded his strategic review; (2) once the President made a recommendation to the Congress; (3) once it was approved by the Armed Services Committees of the House and Senate; and (4) only if it were subsequently approved by Congress. It is not the Committee's intent to provide funding in this Act, the FY 2001 Supplemental Appropriations Act, or any prior Act for activities to increase the readiness for underground nuclear testing. None of the funds in such Acts may be used for that purpose.
- **Facilities and Infrastructure:** The Committee directs that 25% of this funding be used to dispose of excess facilities that will provide the greatest impact on reducing long-term costs and risk.

89115

Defense Nuclear Nonproliferation \$845 million was recommended, an increase of \$72 million, or 9%. The increases are primarily in *International Materials Protection, Control, and Accounting* (+\$51 million), *Nonproliferation and Verification R&D* (+\$10 million), and *International Proliferation Prevention* (+\$8 million).

- The Committee recommendation transfers the \$7,000 for official reception and representation expenses and combines it with the request of \$5,000 for official reception and representation expenses in the Office of the Administrator for a total of \$12,000.
- **Limitation of Russian Program Funds:** The Committee directs that not more than 25% of the funding for Russian programs may be spent in the US. DOE should report to the Committee by December 15, 2001, on the steps being taken to meet the 25% limitation.
- **Russian Transition Assistance:** To ensure that the appropriate amount of funding goes to facilities in Russia and the NIS, the Committee directs that not more than 25% of the funds be spent at DOE labs and that these funds be used by the lab only for technical validation of projects.

Naval Reactors received the request of \$688 million.

Some restricted to \$15M

Office of the Administrator, NNSA (\$10 million) was cut by a third from the \$15 million request to the original (pre-omnibus rescission) FY 2001 level. The Committee provides \$12,000 for official reception and representation expenses for the NNSA. This combines the request of \$7,000 included in NN's account with the \$5,000 requested in this account.

6,628 - 26

DEFENSE ENVIRONMENTAL MANAGEMENT received \$6,411 million, a 12% increase (+\$670 million). The most significant increases were in the:

- *Office of River Protection* (+\$221 million, including a \$165 million increase for the Hanford Waste Treatment and Immobilization Plant);
- *Post 2006 Completion* (+\$473 million); and
- *Site/Project Completion* (+\$130 million).
- **Reprogramming Authority:** In FY02, each site manager may transfer up to \$5M between

Defense Environmental Restoration and Waste Management program activities as long as no program or project is increased or decreased by more than \$5M once during the fiscal year. This authority may not be used to initiate new programs or programs specifically denied, limited, or increased by Congress in the Act or report. The Committees on Appropriations in the House & Senate must be notified within 30 days of the use of this reprogramming authority.

- One-year funding agreements in S&T: DOE is directed to sign no funding agreement with any entity that commits more than one year funding for science and technology activities.

OTHER DEFENSE ACTIVITIES ^{\$64M, denale} \$487M is recommended, a decrease of \$40M.

Funding Adjustments: The use of prior year balances offset, requested at \$10 million, was increased to \$13 million, effectively a \$3 million undistributed general reduction.

Security and Emergency Operations \$250 million was provided, a reduction of 7% from the request with cuts in *Nuclear Safeguards and Security* (-\$13 million) and *Program Direction* (-\$6 million).

- **Public Access to DOE Facilities:** The Committee is concerned about the practice used by DOE to require identification of citizenship as a security screening tool. The Committee refers to the recent incident that a Chinese-American Member of Congress was denied admittance to DOE headquarters, who was scheduled to participate in a DOE celebration of Asian Pacific American Heritage Month. The Committee directs that the Secretary review security procedures for access to DOE facilities to determine whether the use of identification of citizenship is a proper, effective, and sensitive method and is consistent with procedures at other Federal facilities where classified information is kept. The Secretary shall report his findings to the Appropriations Committees of Congress by September 1, 2001.

Intelligence (\$36 million) was cut 12% from the request.

Counterintelligence (\$45 million) was cut 3% from the request.

Independent Oversight and Performance Assurance (\$15 million) received the request.

Defense Environment, Safety and Health (\$105 million) was reduced 8%.

- **Marshall Islands:** The Committee directs DOE to transition the environmental monitoring program to a program of direct support to the Republic of the Marshall Islands (RMI)

Worker and Community Transition (\$22 million) was reduced 10% from the request.

DEFENSE NUCLEAR WASTE DISPOSAL (\$310 million) received the request.

OFFICE OF HEARING AND APPEALS The Committee recommendation is \$2.9M, the same as the budget request.

MEMORANDUM FOR DISTRIBUTION

FROM: Terri Lee/Scott Burnison
External Coordination Staff

DATE: July 16, 2001

SUBJECT: FY 2002 Senate Energy and Water Development Appropriations Markup

The Senate Energy and Water Development Appropriations Subcommittee and Senate Appropriations Full Committee marked up the FY 2002 Energy and Water Development Appropriations Bill on Thursday, July 12. Based on preliminary information, the final recommendation is **\$20 billion in budget authority** for the Department, an **increase of \$2 billion over** the amended request and **\$1.3 billion over** the House mark of **\$18.7 billion**.

A manager's amendment was offered and adopted that included several changes to the report language affecting DOE. However, details of those changes will not be available until late Monday, July 16th, when the Senate is scheduled to consider the FY 2002 Energy and Water Development Appropriations bill, with final passage expected on Tuesday, July 17th.

Below is a short summary of the Senate Appropriations Committee mark as it compares to the Department's request:

Increases from our request were focused in:

- **Environmental Management** \$7,265M, increase of \$932M or 13%;
- **Defense Program** \$6,063M, increase of \$763M or 14%;
 - **Facilities & Infrastructure Initiative** \$300M
- **Nuclear Nonproliferation** \$881, increase of \$107M or 14%;
- **Renewable Energy Resources** \$436M, increase of \$159M or 57%;
- **Nuclear Energy** \$264M, increase of \$41M or 18%;
- **Science** \$3,269M, increase of \$109M or 3.4%;
- **Environment, Safety and Health** \$156M, increase of \$5.7M or 4%; and
- **Other Defense Activities: Advanced Accelerator Applications** \$55M, which was not requested.

The largest reduction was to the **Civilian Radioactive Waste Management Program** request, \$275M, reduced by \$170M or 38%.

Other cuts to our request were to:

- **Worker and Community Transition** \$20M, cut of \$4.4M or 18%;
- **Security and Emergency Operations** \$247M, cut of \$21.7 million or 8%.
 - **Corporate Management Information Program** \$0, cut of \$20M
- **Departmental Administration, Administrative Operations** \$162M, cut of \$12.7M or 7%.

Office of the Secretary \$4.7M, as requested.

Weapons Activities -- \$140M

- Campaigns -- \$24M, as requested.
- Directed Stockpile -- \$54M, as requested.
- Readiness In Technical Base and Facilities -- \$62M, as requested. Program Readiness (request \$11.4M) was reduced by \$3.9M to fund Atlas relocation.

Environmental Management -- \$175M

- Defense Environmental Restoration and Waste Management -- \$95M, reduced by \$5M from the request.
 - \$31.7M for Savannah River Site for high-level waste activities & work in F&H canyon areas.
 - \$18.3M for Hanford site for spent nuclear fuel activities, Plutonium Finishing Plant and F-reactor interim storage.
 - \$10M for tank farm operations.
 - \$25M for Hanford vitrification plant.
 - \$7M to purchase TRUPACTS.
 - \$3M for groundwater contamination activities at Pantex.
 - **\$5M for spent nuclear fuel work at Idaho was not funded.**
- Defense Facilities Closure Projects -- \$21M, as requested.
- Defense Environmental Management Privatization -- \$29.6M, as requested.
- Uranium Facilities Maintenance & Remediation (UED&D) -- \$18M, as requested for cleanup at Paducah, Kentucky.
- Non-Defense Environmental Management -- \$11.4M, as requested.
 - \$10M for cleanup at Brookhaven.
 - \$1.4M to study remediation options at Atlas/Moab.

Other Defense Activities**Worker and Community Transition -- \$5M**

- \$5M for workforce restructuring at the Idaho Engineering and Environmental Laboratory.

SENATE APPROPRIATIONS MARKUP

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS
FY 2002 BILL AND REPORT LANGUAGE SUMMARY

The Senate Energy and Water Development Appropriations Subcommittee and Senate Appropriations Full Committee marked up the FY 2002 Energy and Water Development Appropriations Bill on Thursday, July 12. The Senate passed the bill on the floor on Thursday, July 19, by a vote of 97-2. The final Senate recommendation is **\$20 billion in budget authority** for the Department, an **increase of \$2 billion over** the amended request and **\$1.3 billion over** the House mark of **\$18.7 billion**.

A manager's amendment was offered and adopted on the floor that included several changes to the report language affecting DOE. Those changes are reflected in the below summary. A summary of the Senate passed bill and report follows.

Increases were focused in: **Environmental Management** (\$7,265 million, +13%); **Defense Programs** (\$6,063 million, +14%); **Defense Nuclear Nonproliferation** (\$881 million, +14%); **Renewable Energy Resources** (\$436 million, +57%); **Nuclear Energy** (\$264 million, +18%); **Science** (\$3,269 million, +3.4%); **Environment, Safety and Health** (\$156 million, +4%); and **Other Defense Activities: Advanced Accelerator Applications** (\$55 million, which was not requested). The largest reduction was to the Civilian Radioactive Waste Management Program request (\$275 million, -38%). Other programs received smaller dollar cuts that are never-the-less significant on a percentage basis, including the **Worker and Community Transition** (-\$4.4 million, -18%); **Security and Emergency Operations** (-\$2.7 million, -8%, zeroed out CMIP); and **Departmental Administration** (-\$12.7 million, -7%)

Highlights of General Report Language

Contractor Travel. The Committee has not included a statutory limitation on contractor travel in fiscal year 2002. However, the Committee directs DOE to maintain contractor summaries adequate for periodic reviews of programmatic relevance and costs of contractor travel.

Laboratory Directed Research and Development (LDRD). The Committee provided in statute, Sec. 306, that no more than 6 percent of funding be made available for LDRD.

Paducah Gaseous Diffusion Plant. The Secretary of Energy shall provide for the management of environmental matters (including planning and budgetary activities) with respect to the Paducah Gaseous Diffusion Plant, Kentucky, through the Assistant Secretary of Energy for Environmental Management.

(b) PARTICULAR REQUIREMENTS- (1) In meeting the requirement in subsection (a), the Secretary shall provide for direct communication between the Assistant Secretary of Energy for Environmental Management and the head of the Paducah Gaseous Diffusion Plant on the matters covered by that subsection.

(2) The Assistant Secretary shall carry out activities under this section in direct consultation with the head of the Paducah Gaseous Diffusion Plant.

Yucca Mountain (a) The Senate finds that:

(1) The Department of Energy's Yucca Mountain program has been one of the most intensive scientific investigations in history.

(2) Significant milestones have been met, including the recent release of the Science and Engineering Report, and others are due in the near future including the Final Site Suitability Evaluation.

(3) Nuclear power presently provides 20 percent of the electricity generated in the United States.

(4) A decision on how to dispose of spent nuclear fuel and high level radioactive waste is essential to the future of nuclear power in the United States.

(5) Any decision on how to dispose of spent nuclear fuel and high level radioactive waste must be based on sound science and it is critical that the Federal Government provide adequate funding to ensure the availability of such science in a timely manner to allow fully informed decisions to be made in accordance with the statutorily mandated process.

(b) It is the sense of the Senate that the conferees on the part of the Senate should ensure that the levels of funding included in the Senate bill for the Yucca Mountain program are increased to an amount closer to that included in the House-passed version of the bill to ensure that a determination on the disposal of spent nuclear fuel and high level radioactive waste can be concluded in accordance with the statutorily mandated process.

Plutonium Disposition. The Department of Energy shall consult with the State of South Carolina regarding any decisions or plans related to the disposition of surplus plutonium located at the Department of Energy Savannah River Site. The Secretary of Energy shall prepare not later than September 30, 2002, a plan for those facilities required to ensure the capability to dispose of such materials.

NON-DEFENSE: (+\$222 million)

ENERGY SUPPLY is funded at a total level of \$736M, an increase of \$192M from the request.

In **Renewable Energy** (\$435.6 million), the Senate not only restored all the cuts proposed in the request, the recommendation is a substantial 17% above the current enacted FY 2001 appropriations. The Senate provided \$159 million more over than the amended request and \$62.4 million more than the FY 2001 appropriation. Included in the recommendation are approximately 36 earmarks totaling \$71.5M, of which 33% are funded out of the biomass/biofuels program.

- **Only four programs received less than their FY 2001 appropriations:**
 - *Renewable Indian Energy Resources* (\$4 million, verses \$6.6 million in FY 2001);

- *Photovoltaic Energy Systems* (\$70 million, \$5 million below FY 2001);
- *Renewable Program Support* (\$3 million, 25% below the FY 2001.);
- *Departmental Energy Management* (\$1 million, 50% below FY 2001)
- **All other programs received more than in FY 2001. The biggest gainers were:**
 - *National Renewable Energy Laboratory* (\$12 million, 200% over FY 2001);
 - *Electric Energy Systems* (\$71 million, 36.5% over FY 2001);
 - *Biomass/Biofuels* (\$103 million, 20% over FY 2001);
 - *Wind Energy Systems* (\$45 million, 12.5% over FY 2001); and
 - *Program Direction* (\$21 million, 10.5% over FY 2001).

National Renewable Energy Laboratory – The National Renewable Energy Laboratory (NREL) is to be made available through a site office in Nevada. NREL will provide expertise through a virtual laboratory concept, serving as a portal for electronic communications, information sharing, data warehousing, and partnerships among universities, researchers, technology developers, and those interested in deployment.

Nuclear Energy received \$264 million, \$41 million over the request. The gains were in:

- *University Reactor Fuel Assistance and Support* (\$19 million, +58%);
- *Nuclear Energy Research Institute* (\$38 million, +90%);
- *Nuclear Energy Plant Optimization* (\$9 million, +50%); and
- *Nuclear Energy Technologies* (\$14 million, + 32%)

Other Highlights:

- General Reduction – A general reduction of \$5M will be applied equally across Nuclear Energy.
- Fast Flux Test Facility (FFTF) – The Committee is not optimistic that the results of the 90-day review will be any different than previous reviews. If the review determines that the reactor should be shut down, DOE is directed to immediately submit to the House and Senate Committees on Appropriations a plan detailing how DOE's intends to shut down and begin D&D of FFTF. If the review determines that FFTF should be restarted, DOE must submit a detailed project plan with a validated baseline cost, scope and schedule for restart to the House and Senate Committees on Appropriations. No funds may be obligated for restart activities until 60 days after submission of this report and approval by the Committees on Appropriations.
- The Committee encourages industry and DOE to focus research efforts on a broader array of disposal options, including reprocessing, transmutation, and dry cask storage, all of which reduce or eliminate the need for a geologic repository.

Non-Defense Environment, Safety and Health received \$33.5 million, reduced by 6.3% from the request, with a \$1M reduction in *Program Direction* and a \$1M reduction to the program.

Technical Information Management. The Committee recommendation is \$7.9M, a reduction of

\$1M from the budget request. The Committee provides \$1.6M for Program Direction.

Non-defense Environmental Management is funded at \$228.5 million, same as the request. The Committee recommends DOE to move those projects that appear likely to miss the 2006 deadline to the Post 2006 list. The Department is to provide a report by March 1, 2002 that aligns projects appropriately among Site Closure, Site Completion, and Post-2006 Completion.

URANIUM FACILITIES MAINTENANCE AND REMEDIATION (\$409 million) was increased \$45.3 million over the request, all in *Decontamination and Decommissioning*. Also, the *Depleted UF₆ Conversion Project* (\$10 million) was funded at the request level, but appropriated out of the general fund, as in FY 2001, rather than from the D&D fund, as requested (same as the House).

SCIENCE is funded at a total level of \$3,268 million, a increase of \$109 million over the request.

- A new line item, *Facilities and Infrastructure* was added, receiving \$10 million (same as the House)
- Other increases were made in *High Energy Physics* (+\$9M) *Basic Energy Sciences* (+\$36 million of which Materials +\$20M, Chemical +\$10M, Engineering +\$4M, and Biosciences +\$2M); *Biological and Environmental Research* (+\$47 million); and *Nuclear Physics* (+\$12.5 million).
- The Committee strongly supports the creation of several regional nanoscale science research centers, and includes \$4M for PED work for three of the five planned user centers.

NUCLEAR WASTE DISPOSAL Received \$25 million, an enormous cut of \$110 million. (\$15M for the repository and \$10M for program direction)

Highlights of the Committee's Concerns:

- **State and Local Government Funds.** The Committee recommendation includes \$6 million for the affected units of local government, and \$2.5M for the State of Nevada to conduct oversight responsibilities. The Committee has provided statutory language directing that the State funds be provided to the Nevada Division of Emergency Management.
- The Committee expects to receive the results of the GAO investigation into allegations of waste, fraud and abuse in the Office of Civilian Radioactive Waste Management (RW) later this year and intends to reexamine the allocation for RW based on the findings of the investigation.
- The Committee expects DOE to focus all its resources on resolving the remaining technical issues prior to site recommendation and initiating any actions on performance confirmation or license application.
- The Committee recommends DOE review the Quality Assurance Requirements Description document and its implementing procedures and include the results of the review with the material the Secretary prepares for a decision about site suitability.

In the **DEPARTMENTAL ADMINISTRATION** account (\$209M, -\$12.7M or 6% below the request), *salary and expense* levels for most organizations were lower than the request and the FY 2001 Appropriations. There are a number of noteworthy changes to the FY 2002 request.

- *Office of the Secretary* received the requested amount of \$4.7M;
- *Chief Financial Officer* was reduced by \$2.5M, 7% below the request;
- *Congressional and Intergovernmental*, was cut 18% from the request and 10% below the original FY 2001 appropriations;
- *General Counsel*, was reduced by \$1M or 4% from the request and 3% below the original FY 2001 appropriations; and
- *Management and Administration*, was cut 11% from the original FY 2001 appropriation, 10% from the request;

INSPECTOR GENERAL is funded at \$30 million, 4.5% below the request and FY 2001 levels.

POWER MARKETING ADMINISTRATION received the request.

- Bonneville Power Administration: Bonneville's proposal for increased borrowing authority (\$2B) to address critical infrastructure needs arising from anticipated increases in generation within Bonneville's service area. BPA is authorized up to \$2 billion in borrowing authority but subject to subsequent annual appropriations to remain outstanding at any given time. BPA is not permitted to obligate any funds from this additional obligation authority in fiscal year 2002 and, as previously noted, may not obligate more than \$374.5M of its permanent borrowing authority in fiscal year 2002.
- Transmission Technical Review Committee: The Committee has put in bill language, Sec. 309, supporting the formation of a technical review committee to assure that BPA's transmission investments are prioritized to ensure cost-effective and reliable service for the consumers of the Northwest.

DEFENSE: (+\$1,733 million)

NATIONAL NUCLEAR SECURITY ADMINISTRATION (NNSA) \$7,646M, an \$870M increase.

Weapons Activities. The Committee recommends \$6,063 million, an increase of \$763 million, or 14%, from the request. Concerned with DOE's ability to certify the safety and reliability of new components, lack of progress toward definition and establishment of an enduring production complex, and the decline in the physical plants and supporting infrastructure of the nuclear weapons enterprise, the Committee provided a substantial increase to these three key areas: *Campaigns* (+263 million, +13%, *Pit* \$109 million and *Secondary Readiness* +\$45M, and *National Ignition Facility* construction at the request), *Readiness in Technical Base and Facilities* (+\$161 million, +11%; *Operations Facilities* + \$109 million), and a new line item, *Facilities and Infrastructure* (+\$300 million).

Defense Nuclear Nonproliferation \$881 million was recommended, an increase of \$107 million, or 14%. The increases are primarily in *Nonproliferation and Verification R&D* (+\$52 million), *Arms Control* (+\$36.5 million), *International Proliferation Prevention* (+\$5 million), *International Nuclear Safety* (+\$5.7 million), and *Russian Surplus Materials Disposition* (+\$9 million).

Naval Reactors received the request of \$688 million.

Office of the Administrator, NNSA \$15 million as requested.

DEFENSE ENVIRONMENTAL MANAGEMENT received \$6,628 million, a 15% increase (+\$887 million). The most significant increases were in the:

- *Office of River Protection* (+\$221 million, including a \$165 million increase for the *Hanford Waste Treatment and Immobilization Plant*);
- *Post 2006 Completion* (+\$453 million);
- *Site/Project Completion* (+\$130 million);
- *Defense Facilities Site Closure* (+\$30 million); and
- *Privatization* (+\$16 million)

OTHER DEFENSE ACTIVITIES \$564M is recommended, an increase of \$37M.

Security and Emergency Operations \$248 million was provided, a reduction of 8% from the request, zeroing out *Corporate Management Information Program* (-\$20 million) and cutting *Program Direction* (-\$1.7 million).

- *Corporate Management Information Program*: If the Department wishes to undertake the activities envisioned for this program in FY 2002, the Committee directs that they be paid for using available funds within the Departmental Administration account or from program direction accounts of beneficiary programs. The Committee is concerned that DOE is attempting to disguise large increases in departmental administration costs by dispersing department-wide activities to individual program offices.

Intelligence (\$41 million) as requested.

Counterintelligence (\$46 million) received the request.

Independent Oversight and Performance Assurance (\$15 million) received the request.

Advanced Accelerator Applications (\$55 million) above the request of zero.

- The Committee directs DOE to broaden the program's research efforts into optimized waste management strategies leading towards combination of reprocessing with transmutation and energy extraction involving both a new generation of reactors with safety features comparable to Generation IV reactors and an accelerator-based system.
- The Department is directed to close-out the Accelerator Production of Tritium project in FY 2002 and document all information pertinent to its utility as a back-up source of

tritium for the stockpile.

- The Committee directs DOE to establish an Office of Advanced Accelerator Applications (AAA) within the Office of Nuclear Energy, Science and Technology. DOE is also directed to transfer the Accelerator Production of Tritium (APT) program from the Defense Program within the NNSA to the Office of Nuclear Energy, Science and Technology.

Defense Environment, Safety and Health (\$122 million) increased 7%.

- Within funds, \$6M is directed to be used to establish a program at the University of Nevada-Las Vegas for Department-wide management of electronic records.

Worker and Community Transition (\$20 million) was reduced 18% from the request.

- The Committee urges DOE to improve the manner in which it deals with the communities the Worker and Community Transition program serves. Slow release of funds or, worse, renegeing on previously promised funding, can be devastating to these communities and organizations.

DEFENSE NUCLEAR WASTE DISPOSAL (\$250 million) cut 19%.

OFFICE OF HEARING AND APPEALS The Committee recommendation is \$2.9M, the same as the budget request.

General Provisions

Sec. 306. Laboratory Directed Research and Development (LDRD). Of the funds in this Act or any other Act provided to government-owned, contractor-operated laboratories, not to exceed 6 percent shall be available to be used for LDRD.

Sec. 307. Limit Use of Funds for Transuranic Waste in WIPP Exceeding 20% of Plutonium. None of the funds in this Act may be used to dispose of transuranic waste in the Waste Isolation Pilot Plant which contains concentrations of plutonium in excess of 20 percent by weight for the aggregate of any material category on the date of enactment of this Act, or is generated after such date.

Sec. 308. Research and Development Program for NNSA. The Committee provides the authority, Sec. 308, to continue a directed R&D program at the defense production plants. It allows NNSA to authorize the plant manager at the defense production plants to allocate up to an amount equal to 2%.

Sec. 309. Authorizes Power Marketing Administration to form and Operate a Regional Transmission Organization. Notwithstanding any other law, and without fiscal year limitation, each Federal Power Marketing Administration is authorized to engage in activities and solicit, undertake and review studies and proposals relating to the formation and operation of a regional transmission organization.

Sec. 310. Allows NNSA to Authorize Nevada Operations Office to Engage in RD&D Activities. The Administrator of the National Nuclear Security Administration may authorize the manager of the Nevada Operations Office to engage in research, development, and demonstration activities with respect to the development, test, and evaluation capabilities necessary for operations and readiness of the Nevada Test Site: Provided that of the amount allocated to the Nevada Operations Office each fiscal year from amounts available to DOE for such fiscal year for national security programs at the Nevada Test Site, not more than an amount equal 2% of such amount may be used for these.

Sec. 311. DEPLETED URANIUM HEXAFLUORIDE. Section 1 of Public Law 105-204 is amended in subsection (b)—

(1) by inserting 'except as provided in subsection (c),' after '1321-349),'; and

(2) by striking 'fiscal year 2002' and inserting 'fiscal year 2005'.

Sec. 312. (a) The Secretary of Energy shall conduct a study of alternative financing approaches, to include third-party-type methods, for infrastructure and facility construction projects across the Department of Energy.

(b) The study shall be completed and delivered to the House and Senate Committees on Appropriations within 180 days of enactment.

Sec. 313. The Secretary of Energy shall provide for the management of environmental matters (including planning and budgetary activities) with respect to the Paducah Gaseous Diffusion Plant, Kentucky, through the Assistant Secretary of Energy for Environmental Management.

(b) PARTICULAR REQUIREMENTS- (1) In meeting the requirement in subsection (a), the Secretary shall provide for direct communication between the Assistant Secretary of Energy for Environmental Management and the head of the Paducah Gaseous Diffusion Plant on the matters covered by that subsection.

(2) The Assistant Secretary shall carry out activities under this section in direct consultation with the head of the Paducah Gaseous Diffusion Plant.

Sec. 314 (a) The Senate finds that:

(1) The Department of Energy's Yucca Mountain program has been one of the most intensive scientific investigations in history.

(2) Significant milestones have been met, including the recent release of the Science and Engineering Report, and others are due in the near future including the Final Site Suitability Evaluation.

(3) Nuclear power presently provides 20 percent of the electricity generated in the United States.

(4) A decision on how to dispose of spent nuclear fuel and high level radioactive waste is essential to the future of nuclear power in the United States.

(5) Any decision on how to dispose of spent nuclear fuel and high level radioactive waste must be based on sound science and it is critical that the Federal Government provide adequate funding to ensure the availability of such science in a timely manner to allow fully informed decisions to be made in accordance with the statutorily mandated process.

(b) It is the sense of the Senate that the conferees on the part of the Senate should ensure that the levels of funding included in the Senate bill for the Yucca Mountain program are increased to an amount closer to that included in the House-passed version of the bill to ensure that a determination on the disposal of spent nuclear fuel and high level radioactive waste can be concluded in accordance with the statutorily mandated process.

Sec. 315. The Department of Energy shall consult with the State of South Carolina regarding any decisions or plans related to the disposition of surplus plutonium located at the Department of Energy Savannah River Site. The Secretary of Energy shall prepare not later than September 30, 2002, a plan for those facilities required to ensure the capability to dispose of such materials.